

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1610

January 26, 2014

SUMMARY OF BILL: Extends 25 percent tuition discount at public institutions of higher education to every child in Tennessee under the age of 24 whose parent is a full-time employee of a Tennessee local education agency.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$6,211,900/FY14-15

\$6,521,300/FY15-16

Exceeds \$6,521,300/FY16-17 and Subsequent Fiscal Years


Assumptions:

- Lost revenue for higher education institutions resulting from the proposed tuition discount will require additional appropriations of state funds from the General Fund.
- Currently, dependents of teachers, with certain restrictions, are receiving a tuition discount.
- Fiscal estimate is based on the number of new dependents eligible to receive a tuition discount.
- Using data from the existing tuition discount program and the Department of Education (DOE), the Tennessee Board of Regents (TBR) estimates that 4,850 additional students would receive a tuition waiver annually.
- The average tuition waiver for a TBR student is estimated to be \$700 in FY14-15 and \$735 in FY15-16.
- The increase in state expenditures for TBR tuition waivers in FY14-15 is estimated to be \$3,395,000 ($\$700 \times 4,850$) and \$3,564,750 ($\$735 \times 4,850$).
- Using data from the existing tuition discount program and DOE, the University of Tennessee (UT) estimates 2,910 additional students will receive a tuition waiver annually.
- The average tuition waiver for a UT student is estimated to be \$968 in FY14-15 and \$1,016 in FY16-17.
- The increase in state expenditures for UT tuition waivers in FY14-15 is estimated to be \$2,816,880 ($\$968 \times 2,910$) and \$2,956,560 ($\$1,016 \times 2,910$) in FY15-16.
- The total increase in state expenditures in FY14-15 is estimated to be \$6,211,880 ($\$3,395,000 + \$2,816,880$).

- The total increase in state expenditures in FY15-16 is estimated to be \$6,521,310 (\$3,564,750 + \$2,956,560).
- The increase in state expenditures in FY16-17 and subsequent fiscal years is estimated to exceed \$6,521,310.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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